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U S WEST

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

June 5, 1997

EX PARTE

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, NW
Room 222
Washington, DC 20554

RE: CC Docket 96-45

Today, Warren Hannah and Larry Millard of Sprint, and Peter Copeland and the undersigned of U S WEST met with members of the Universal Service Joint Board Staff to review plans for enhancements to the Benchmark Cost Proxy Model (BCPM). In attendance for the staff were: Brian Clopton, Chuck Keller, Tejal Mehta, Natalie Wales, C. Anthony Bush, Bill Sharkey Mark Kennet, Bob Loube and Emily Hoffnar. The attached document was used during our presentation.

In accordance with 47 C.F.R. § 1.1206(a)(1) of Commission's rules, the original of this letter and one copy are being filed with your office. Acknowledgment and date of receipt are requested. A duplicate of this letter is included for this purpose.

Sincerely,

Attachments

cc: Brian Clopton
Chuck Keller
Tejal Mehta
Natalie Wales
C. Anthony Bush
Bill Sharkey
Mark Kennet
Bob Loube
Emily Hoffnar

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BCPM Enhancements Work Plan

Input Specifications

Geographic Analysis Work Team: Sprint, U S WEST, Stopwatch Maps

Purpose:

Define GIS algorithms to build rural geographic target areas (define polygons) that better recognize population clusters and line counts, but continue to represent distribution serving areas.

Activities:

- Analyze alternative data bases for wire center boundaries. Verify against internal data sources.
- Adjust feeder routes to more efficiently serve outlying clusters of customers by rotating individual feeder routes from North, South, East, West orientation as necessary. Utilize census block information and GIS data to externally adjust routes.
- Analyze census block data to define new polygons that represent distribution serving areas of uniform density within a CBG.
- Analyze a rural grid system based on distribution serving area size for use in sparsely populated areas.
- Analyze the use of road networks within sparsely populated rural grids and census blocks for estimating telephone plant layout.

BCPM Line Inputs

- Provide more ease of adjustment to residential line count inputs.
- Develop true-up mechanism by wire center for residential and business line counts.
- Examine alternative data sources for wire center line counts.

Expense Module Enhancements: U S WEST, Sprint, Indetec

Purpose:

Expand expense module to incorporate unbundled network element (UNEs)expenses, as well as universal service expenses.

Internalize the development of forward-looking expenses from a starting point of book expenses.

Activities:

- Break out plant specific expenses to match all investment categories for both UNEs and universal service.
- Develop expense layout that specifically identifies the following adjustments for each expense account:
    1. Book Expense Amount
    2. Productivity
    3. Inflation
    4. Adjustment for Services not Included in Study

Transport Module Team: Sprint, U S WEST
We currently have a transport module that utilizes LERG data to build Host/Remote and Tandem/Host transport rings utilizing SONET based technology.

Purpose:
Integrate the transport module into the Benchmark Cost Proxy Model (BCPM) for the cost development of interoffice transport for USF and UNE's.

Activities:
- Obtain Bellcore approval to use LERG.
- Develop USF transport data input field for EAS.
  (Percent EAS minutes per line by exchange with default input value.)
- Develop USF transport cost application with existing transport cost elements for EAS transport.
- Integrate LERG data sorting process (Data Clean Program) in with the transport module.
- Transport module integration with current BCPM model.
- Test transport module under the BCPM umbrella (Operational Test)
- Validate transport module under the BCPM umbrella.

- Request input development for all transport inputs from the same source as BCPM (Indetec).

- Provide existing transport module documentation for inclusion with the development of Loop BCPM documentation.

Switching Module Addition: SPRINT, U S WEST

Purpose:
Enhance the switching cost function in BCPM to produce model default or company specific switching costs specifically for universal service and unbundled Network Elements (UNEs) using a consistent cost function. The proposed modeling process will produce

cost primitives which will identify costs for line/port, intra-switch usage, inter-switch usage and remote usage clearly identifying cost.

Activities:

- Create cost curves for various switch platforms detailing the following groups of cost drivers: Processor investment, Line/port Investment, Spare traffic sensitive investment, Traffic sensitive line investment, Traffic sensitive trunk investment, local tandem traffic sensitive investment, SS7 link investment, umbilical traffic sensitive investment. The default investments will initially be based upon the output from Bellcore's SCIS model.

- Extract data from LERG or a "LERG like database" and BCPM to create default input files containing enough information to allow the switching cost module to create location specific default cost primitives based on actual switch characteristics (such as, number of lines, host/remote indicator, etc.).

- Include the ability for the model to be run using the default inputs, modifications to the default inputs, or Company specific data.

- Identify common inputs/outputs between BCPM and the switching module to eliminate duplicates and facilitate common usage between the modules.

- Integrate switching module into BCPM

- Document Switch module calculations

- Validate resulting module output to satisfy reasonableness test

SS7 Module Addition: U S WEST, Sprint

Purpose:

Incorporate an SS7 module into BCPM which develops investments for universal service as well as UNE functionality. This will ideally include calculation of port, A-link transit, B-link transit, local SS7 switching, and database charges.

Activities:

- Assess functionality of existing SS7 models and feasibility of integration into BCPM. Determine what modifications and new functionality can be addressed by mid-July and yearend 1997.
- Convert existing SS7 model from Lotus 123 format into Excel format, including macro and formula rewrites where applicable. Test imported model outputs to insure validity of conversion.
- Identify common inputs/outputs between BCPM and SS7 models and modify formulas and tables accordingly to eliminate duplicates.
- Review and update SS7 documentation where applicable.